



Upfield Tax Strategy

In compliance with section 161 and section 19(2) of Schedule 19 Finance Act 2016, the UK incorporated, and controlled subsidiaries of the Upfield Group are publishing the Upfield Tax Strategy for the year ending 31 December 2020 and onwards.

Our Tax vision

At Upfield, our vision for tax is to manage risk and be compliant by fostering a culture of openness and transparency. We aim to leverage resources and technology efficiently to establish a sustainable trusted relationship with the tax authorities. Accurate and controlled master and transactional data set-up will support efficient tax compliance processes, providing optimal agility in an ever-changing tax environment. Our tax objectives set out below will ensure we achieve this vision and are underpinned by our ethical values and Code of Business Principles.

Our Tax Objectives

Risk management is integral to Upfield's strategy and to the achievement of Upfield's long-term goals - our success as an organisation depends on our ability to identify and manage risks

We take an embedded approach to risk management which put risks at the core of the leadership team's agenda. We define risks as actions or events that have the potential to impact our ability to achieve our objectives.

Upfield's Risk Management approach, which includes the management of tax risks, comprises of a detailed organisational structure with appropriate lines of escalation and authority delegation, detailed risk and control frameworks, performance management and operational processes execution.

Compliance policies and procedures have been drafted and reviewed by Upfield's General Counsel and Chief Compliance Officer to ensure that the company's day-to-day operations are focused on a system that has been built on strong business ethics and integrity. Tax risk management is in line with Upfield's Principles of Risk Management; Accountability, Risk Appetite, Risk Mitigation. Through following these principles, we are able to identify, measure and mitigate tax risks.

Tax risks and mitigating controls are documented in risk and control matrices prepared through a formal process undertaken in consultation with external tax advisers. The Chief Executive Officer is ultimately responsible for the implementation of the compliance, monitoring and reporting framework, with day-to-day responsibility delegated to local management. The ongoing identification and assessment of tax risks and the development and subsequent monitoring internal controls is undertaken to ensure that taxation risk is managed in line with the tax risk appetite.

Upfield's tax risk appetite must be established through determining the level of risk, after the implementation of controls, that the business is prepared to accept, such that there is not a significant threat to the Group's core objectives. Assurance of compliance is given and monitored each year. Compliance is subject to review by the Board supported by the Corporate Responsibility Committee and for Financial and accounting issues the Audit Committee. This established system of compliance and governance looks to ensure that Upfield manage and appropriately report tax information and tax risks in accordance with internationally accepted principles of good cooperate governance.

Through fostering a culture of openness and transparency, we strive to be a trusted corporate citizen and fulfil our responsibilities to the societies and communities in which we operate by paying the amount of tax due

We conduct our operations with honesty integrity and openness, and this includes paying the correct amount of tax. We respect the legitimate interest of those whom we have relationships and comply with the laws and regulations of countries in which we operate Upfield's Code of Business Principles, and the policies that support it, set out the standard that are required from all our associates. We are committed to maintaining our reputation for doing business to the highest standards of behaviour making continuous improvements in the management of our environmental impact, and to the longer-term goal of developing a sustainable business, which is consistent with the way in which we manage our tax.

Ensuring that our business is conducted lawfully and with integrity includes only undertaking transactions with an underlying commercial substance and our accounting records and supporting documents must accurately describe and reflect the nature of the underlying transaction. Any tax planning that is considered, is done so in line with our Code of Business and we do not enter into any artificial transactions with the intention of creating tax efficiencies. We do not structure commercial transactions in a way that would threaten our reputation and our foundations of integrity and strong business ethics, but we do use Government sponsored tax incentives and reliefs where possible and appropriate.

To ensure certainty of compliance with tax legislation, where necessary, Upfield will look to utilise external advisors to help seek clarity over legislation or in the event of a resource gap. The use of third-party advisors is approved by Upfield Tax team managers with any advice obtained reviewed and authorised by the Head of Tax and or CFO) to ensure compliance to Upfields Code of Business Principles.

Good and ethical business practices are the key to our success, and we conduct our operations fully respecting all our stakeholders and cooperating with governments and other organisations including tax authorities

We ensure that our business is conducted in a manner which embraces sustainability and this includes holding open and engaging conversations with our various stakeholders. We will provide timely, regular, and reliable information on our activities, structure, financial situation and performance to relevant and appropriate stakeholders including tax authorities. We are committed to establishing mutually beneficial relations with our business partners and in the event of any uncertainty over the interpretation of tax law, we will seek to hold relevant dialogues with tax authorities to obtain certainty and, most importantly, ensure compliance.

The Upfield Group has the following UK incorporate and controlled subsidiaries:

- Upfield Spreads UK Ltd
- Upfield UK Services Limited
- Upfield Foods UK Limited
- Upfield GEC Limited
- Veganest Limited